

Assembly Bill 2470

LOS ANGELES COUNTY HEALTH CARE MASTER PLAN

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ISSUE

Under the State's Welfare and Institutions Code, Section 17000, Los Angeles County must either be the "provider of last resort" or assure that residents who cannot get care elsewhere have at least their basic health care needs met. In effect, the County is responsible for the providing the health care "safety net."

The Los Angeles County Department of Health Services (LADHS) currently operates six comprehensive health centers, several smaller health centers and public health clinics, and a full scope public health department. Over the past 20 years, LADHS has experienced major cutbacks, threats of closures and public health emergencies. The crisis of 1995 nearly shut down the system and the federal government responded with nearly \$1 billion in federal aid – commonly referred to as "the waiver." The waiver was extended for 5 years in 2000. The waiver has expired and the county continues to face severe financial challenges. It faces projected deficits estimated at more than \$240 million by the end of 2006 and rising to \$1.1 billion by 2009-2010.¹

Given the structural deficiency in financing and administration, there must be a Los Angeles County Health Master Plan in order to effectively plan for the future.

¹ Memo from Bruce Chernof to LA County Board of Supervisors, January 13, 2006.

EXISTING LAW

Part 4, of Division 101 of the Health & Safety Code currently authorizes the board of supervisors of certain counties, by ordinance, to develop a master plan for health care in the county.

THIS BILL

The intent of this bill is to cause the Los Angeles County Board of Supervisors to develop a master plan for the provision of health care in the county and to assemble a task force to address specified issues and to report to the board according to a schedule established by the board.

SUMMARY

This bill establishes a task force to:

- Develop long-range planning and policy analysis for the county department of health services.
- Evaluate the strategic priorities for Los Angeles County as they relate to financing, operation, clinical focus, and administration of the health care delivery system for low-income people in Los Angeles County.
- Take into account the significant consequences of this planning and policy analysis for the Los Angeles Community.
- Integrate into the analysis the unique history, relationships, and other cultural and environmental issues that would differentiate between a plan that is technically correct but not likely to be implemented and one

that is essentially a work plan that would successfully take the health care system through the next decade when there will be additional pressures and challenges.

FAQs

Why do we need a health master plan?

Los Angeles County does not have a long-term health planning document or master plan. A long-term analysis of both the public and private systems must be completed for there to be effective future planning and decision-making.

In formulating public policy around an alternative governance structure, policymakers need a complete analysis of both the public and private system to determine and answer the existing questions, "What should be governed?" and "How?"

At the forefront of these policy developments must be the assurance that the quality of patient care be strengthened as well as the restoration of public confidence in the health system.

The strategic goal of this health master plan is to facilitate discussions addressing the issues of governance, administration and management of the county public health system in a responsible manner that does not exclude any part of the health system from the analysis.

BACKGROUND

- Overall, 42% of Los Angeles County residents live below 200% of the Federal Poverty Level (FPL), or under \$37,000 per year for a family of four. Thirty-one percent of adults ages 18-64 and 19% of children have no health insurance.²

² LADHS Memo to Supervisors Re-Missioning of DHS Hospitals, October 2, 2002

- Los Angeles County has over 2.5 million people who are without health insurance – the highest rate among the nation's largest metropolitan areas.³
- Health Insurance Premiums are projected to rise 12-15% per year and there are increasing numbers of uninsured, increasing costs for prescription drugs and a continuing consolidation of the health care system already affected by mergers and acquisitions of hospitals, health systems, insurance companies and managed care organizations.⁴
- In its own fiscal analysis, Los Angeles County DHS has projected a \$1.1 billion shortfall by 2009-2010.⁵

SUPPORT

Service Employees International Union (SEIU)
American Federation of State, County and Municipal Employees (AFSCME)

OPPOSITION

None at this time.

STATUS

The measure passed the Assembly Committee on Health 8-3.

³ Alternative Governance for the Los Angeles County DHS, USC Keck School of Medicine, May 2003

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Alternative Governance for Los Angeles County, USC Keck School of Medicine, May 2003

⁵ Memo from Bruce Chernof to LA County Board of Supervisors, January 13, 2006.

The measure passed the Assembly Committee on Local Government on May 10th 5-2.

The measure passed Senate Committee on Health on June 14th 5-4.

The measure passed the Senate floor 25-15 on August 14.

FOR MORE INFORMATION

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